

1 AN ACT relating to appropriations providing financing and conditions for the
2 operations, maintenance, support, and functioning of the Transportation Cabinet of the
3 Commonwealth of Kentucky.

4 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

5 ➔Section 1. The Transportation Cabinet Budget is as follows:

6 **PART I**

7 **OPERATING BUDGET**

8 **(1) Funds Appropriations:** There is appropriated out of the General Fund, Road
9 Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the
10 fiscal year beginning July 1, 2019, and ending June 30, 2020, for the fiscal year beginning
11 July 1, 2020, and ending June 30, 2021, and for the fiscal year beginning July 1, 2021,
12 and ending June 30, 2022, the following discrete sums, or so much thereof as may be
13 necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each
14 appropriation is made by source of respective fund or funds accounts. Appropriations for
15 the budget units of the Transportation Cabinet are subject to the provisions of Chapters
16 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions
17 and procedures set forth in this Act.

18 **A. TRANSPORTATION CABINET**

19 **Budget Units**

20 **1. GENERAL ADMINISTRATION AND SUPPORT**

	2020-21	2021-22
22 General Fund	500,000	500,000
23 Restricted Funds	2,707,600	2,721,200
24 Road Fund	86,190,700	86,843,100
25 TOTAL	89,398,300	90,064,300

26 **(1) Biennial Highway Construction Plan:** The Secretary of the Transportation
27 Cabinet shall produce a single document that contains two separately identified sections,

1 as follows:

2 Section 1 shall detail the enacted fiscal biennium 2020-2022 Biennial Highway
3 Construction Program and Section 2 shall detail the 2020-2022 Highway Preconstruction
4 Program Plan for fiscal year 2020-2021 through fiscal year 2025-2026 as identified by the
5 2020 General Assembly. This document shall mirror in data type and format the fiscal
6 year 2020-2026 Recommended Six-Year Road Plan as submitted to the 2020 General
7 Assembly. The document shall be published and distributed to members of the General
8 Assembly and the public within 60 days of adjournment of the 2020 Regular Session of
9 the General Assembly.

10 (2) **Debt Service:** Included in the above Road Fund appropriation is \$7,110,100
11 in fiscal year 2020-2021 and \$7,105,900 in fiscal year 2021-2022 for debt service on
12 previously authorized bonds.

13 (3) **Adopt-A-Highway Litter Program:** The Transportation Cabinet and the
14 Energy and Environment Cabinet may receive, accept, and solicit grants, contributions of
15 money, property, labor, or other things of value from any governmental agency,
16 individual, nonprofit organization, or private business to be used for the Adopt-a-
17 Highway Litter Program or other statewide litter programs. Any contribution of this
18 nature shall be deemed to be a contribution to a state agency for a public purpose and
19 shall be treated as Restricted Funds under KRS Chapter 45 and reported according to
20 KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter
21 11A.

22 (4) **Riverport Improvements:** Included in the above General Fund appropriation
23 is \$500,000 in each fiscal year to improve public riverports within Kentucky. The
24 Secretary of the Transportation Cabinet, in conjunction with the Kentucky Water
25 Transportation Advisory Board, shall determine how the funds are distributed.

26 **2. AVIATION**

27

2020-21

2021-22

1	Restricted Funds	21,319,200	16,355,400
2	Federal Funds	500,000	500,000
3	Road Fund	2,826,800	1,844,000
4	TOTAL	24,646,000	18,699,400

5 **(1) Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted
6 Funds appropriation includes operational costs of the program in each fiscal year.

7 **(2) Debt Service:** Included in the above Road Fund appropriation is \$1,831,100
8 in fiscal year 2020-2021 and \$837,400 in fiscal year 2021-2022 for debt service on
9 previously authorized bonds. Notwithstanding KRS 183.525, \$1,831,100 in fiscal year
10 2020-2021 and \$837,400 in fiscal year 2021-2022 is transferred to the Road Fund from
11 the Kentucky Aviation Economic Development Fund to support debt service on those
12 bonds.

13 **3. DEBT SERVICE**

14		2020-21	2021-22
15	Road Fund	147,991,400	139,643,600

16 **(1) Economic Development Road Lease-Rental Payments:** Included in the
17 above Road Fund appropriation is \$147,991,400 in fiscal year 2020-2021 and
18 \$139,643,600 in fiscal year 2021-2022 for Economic Development Road lease-rental
19 payments relating to projects financed by Economic Development Road Revenue Bonds
20 previously authorized by the General Assembly and issued by the Kentucky Turnpike
21 Authority.

22 **(2) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505,
23 no portion of the revenues to the state Road Fund provided by the adjustments in KRS
24 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment
25 Acceleration Fund account during the 2020-2022 fiscal biennium.

26 **4. HIGHWAYS**

27		2020-21	2021-22
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1	Restricted Funds	114,726,900	114,907,000
2	Federal Funds	728,446,300	732,726,300
3	Road Fund	872,654,500	841,789,800
4	TOTAL	1,715,827,700	1,689,423,100

5 **(1) Debt Service:** Included in the above Federal Funds appropriation is
 6 \$79,468,700 in fiscal year 2020-2021 and \$79,388,200 in fiscal year 2021-2022 for debt
 7 service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously
 8 appropriated by the General Assembly.

9 **(2) State Supported Construction Program:** Included in the above Road Fund
 10 appropriation is \$302,859,200 in fiscal year 2020-2021 and \$262,381,100 in fiscal year
 11 2021-2022 for the State Supported Construction Program.

12 **(3) Biennial Highway Construction Program:** Included in the State Supported
 13 Construction Program is \$161,259,200 in fiscal year 2020-2021 and \$120,781,100 in
 14 fiscal year 2021-2022 from the Road Fund for state construction projects in the fiscal
 15 biennium 2020-2022 Biennial Highway Construction Program.

16 **(4) Highway Construction Contingency Account:** Included in the State
 17 Supported Construction Program is \$16,600,000 in each fiscal year for the Highway
 18 Construction Contingency Account. Notwithstanding KRS 45.247(4), the Secretary shall
 19 not expend Highway Construction Contingency moneys for purposes he or she
 20 determines to be a priority. Notwithstanding KRS 224.43-505(2)(d), included in the
 21 Highway Construction Contingency Account is \$5,000,000 in each fiscal year for the
 22 Kentucky Pride Fund created in KRS 224.43-505. Also included in the Highway
 23 Construction Contingency Account for Railroads is \$1,600,000 in each fiscal year for
 24 public safety and service improvements which shall not be expended unless matched with
 25 non-state funds equaling at least 20 percent of the total amount for any individual project.
 26 Additionally, in each fiscal year, up to \$350,000 of the \$1,600,000 appropriation may be
 27 used to research the merits and responsibilities of the Kentucky Rail Office in the

1 Kentucky Transportation Cabinet and establish and administer the Kentucky Rail Office.

2 **(5) 2018-2020 Biennial Highway Construction Plan:** Projects in the enacted
3 2018-2020 Biennial Highway Construction Plan are authorized to continue their current
4 authorization into the 2020-2022 fiscal biennium. If projects in previously enacted
5 highway construction plans conflict with the 2020-2022 Biennial Highway Construction
6 Plan, the projects in the 2020-2022 Biennial Highway Construction Plan shall control.
7 The Secretary shall make every effort to maintain highway program delivery by adhering
8 to the timeframes included in the 2020-2022 Biennial Highway Construction Plan for
9 those projects.

10 **(6) State Match Provisions:** The Transportation Cabinet is authorized to utilize
11 state construction moneys or Toll Credits to match federal highway moneys.

12 **(7) Federal Aid Highway Funds:** If additional federal highway moneys are made
13 available to Kentucky by the United States Congress, the funds shall be used according to
14 the following priority: (a) Any demonstration-specific or project-specific moneys shall be
15 used on the project identified; and (b) All other funds shall be used to ensure that projects
16 in the fiscal biennium 2020-2022 Biennial Highway Construction Plan are funded. If
17 additional federal moneys remain after these priorities are met, the Transportation
18 Cabinet may select projects from the Highway Preconstruction Program.

19 **(8) Road Fund Cash Management:** The Secretary of the Transportation Cabinet
20 may continue the Cash Management Plan to address the policy of the General Assembly
21 to expeditiously initiate and complete projects in the fiscal biennium 2020-2022 Biennial
22 Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including
23 KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial
24 Highway Construction Plan by employing management techniques that maximize the
25 Cabinet's ability to contract for and effectively administer the project work. Under the
26 approved Cash Management Plan, the Secretary shall continuously ensure that the
27 unspent project and Road Fund balances available to the Transportation Cabinet are

1 sufficient to meet expenditures consistent with appropriations provided. The
2 Transportation Cabinet shall provide quarterly reports to the Interim Joint Committee on
3 Appropriations and Revenue when the General Assembly is not in session and the
4 Standing Committees on Appropriations and Revenue when the General Assembly is in
5 session beginning July 1, 2020.

6 **(9) Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229,
7 unexpended Road Fund appropriations in the Highways budget unit for the Construction
8 program, the Maintenance program, and the Research program in fiscal year 2019-2020
9 and in fiscal year 2020-2021 shall not lapse but shall carry forward. Unexpended Federal
10 Funds and Restricted Funds appropriations in the Highways budget unit for the
11 Construction program, the Maintenance program, the Equipment Services program, and
12 the Research program in fiscal year 2019-2020 and in fiscal year 2020-2021, up to the
13 amount of ending cash balances and unissued Highway and GARVEE Bond Funds, to
14 include any interest income earned on those bond funds, and grant balances shall not
15 lapse but shall carry forward.

16 **(10) Federally Supported Construction Program:** Included in the above Federal
17 Funds appropriation is \$624,506,400 in fiscal year 2020-2021 and \$631,866,900 in fiscal
18 year 2021-2022 for federal construction projects.

19 **(11) Highways Maintenance:** Included in the above Highways Road Fund
20 appropriation is \$394,482,500 in fiscal year 2020-2021 and \$398,137,100 in fiscal year
21 2021-2022 for Highways Maintenance. Highways Maintenance positions may be filled to
22 the extent the above funding level and the Highways Maintenance continuing
23 appropriation are sufficient to support those positions.

24 **(12) Delayed Projects Status Report:** The Secretary of the Transportation
25 Cabinet shall report by September 30 of each fiscal year to the Interim Joint Committee
26 on Transportation any project included in the enacted Biennial Highway Construction
27 Plan which has been delayed beyond the fiscal year for which the project was authorized.

1 The report shall include:

2 (a) The county name;

3 (b) The Transportation Cabinet project identification number;

4 (c) The route where the project is located;

5 (d) The length of the project;

6 (e) A description of the project and the scope of improvement;

7 (f) The type of local, state, or federal funds to be used on the project;

8 (g) The stage of development for the design, right-of-way, utility, and
9 construction phases;

10 (h) The fiscal year in which each phase of the project was scheduled to
11 commence;

12 (i) The estimated cost for each phase of the project;

13 (j) A detailed description of the circumstances leading to the delay; and

14 (k) The same information required in paragraphs (a) to (i) of this subsection for
15 the project or projects advanced with funds initially scheduled for the delayed project.

16 **(13) Maintenance Reentry Employment Program:** Included in the above Road
17 Fund appropriation is \$250,000 in each fiscal year to support contracting with a 501(c)(3)
18 nonprofit organization that employs individuals on probation or parole supervision to
19 perform crew-based maintenance services. These individuals will be selected with input
20 from the Department of Corrections and shall provide assistance with litter abatement,
21 graffiti removal, and vegetation control.

22 **5. JUDGMENTS**

23		2020-21	2021-22
24	General Fund	-0-	-0-

25 **(1) Payment of Judgments:** Road Fund resources required to pay judgments
26 shall be transferred from the State Construction Account at the time when actual
27 payments must be disbursed from the State Treasury.

1 **6. PUBLIC TRANSPORTATION**

2		2020-21	2021-22
3	General Fund	12,789,000	6,089,000
4	Restricted Funds	589,900	9,003,100
5	Federal Funds	25,799,400	25,809,100
6	TOTAL	39,178,300	40,901,200

7 **(1) Toll Credits:** The Transportation Cabinet is authorized to maximize, to the
8 extent necessary, the use of Toll Credits to match Federal Funds for transit systems
9 capital grants.

10 **(2) Nonpublic School Transportation:** Included in the above General Fund
11 appropriation is \$4,000,000 in each fiscal year for nonpublic school transportation.

12 **7. REVENUE SHARING**

13		2020-21	2021-22
14	Road Fund	348,530,600	350,577,700

15 **(1) County Road Aid Program:** Included in the above Road Fund appropriation
16 is \$131,658,900 in fiscal year 2020-2021 and \$132,429,300 in fiscal year 2021-2022 for
17 the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and
18 179.440. Notwithstanding KRS 177.320(2) and (4), the above amounts have been
19 reduced by \$38,000 each year, which has been appropriated to the Highways budget unit
20 for the support of the Kentucky Transportation Center.

21 **(2) Rural Secondary Program:** Included in the above Road Fund appropriation
22 is \$159,717,400 in fiscal year 2020-2021 and \$160,652,000 in fiscal year 2021-2022 for
23 the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340,
24 177.350, and 177.360. Notwithstanding KRS 177.320(1) and (4), the above amounts have
25 been reduced by \$46,000 in each fiscal year, which has been appropriated to the
26 Highways budget unit for the support of the Kentucky Transportation Center.

27 **(3) Municipal Road Aid Program:** Included in the above Road Fund

1 appropriation is \$55,397,400 in fiscal year 2020-2021 and \$55,721,600 in fiscal year
 2 2021-2022 for the Municipal Road Aid Program in accordance with KRS 177.365,
 3 177.366, and 177.369. Notwithstanding KRS 177.320(4) and 177.365(1), the above
 4 amounts have been reduced by \$16,000 in each fiscal year, which has been appropriated
 5 to the Highways budget unit for the support of the Kentucky Transportation Center.

6 **(4) Energy Recovery Road Fund:** Included in the above Road Fund
 7 appropriation is \$334,000 in fiscal year 2020-2021 and \$338,000 in fiscal year 2021-2022
 8 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771,
 9 177.978, 177.979, and 177.981.

10 **(5) County Judge/Executive Expense Allowance:** Notwithstanding KRS
 11 67.722, each County Judge/Executive not serving in a consolidated local government
 12 shall receive an annual expense allowance of \$2,400 during the 2020-2022 fiscal
 13 biennium. Payment shall be made quarterly from the Rural Secondary Program.

14 **(6) Continuation of the Flex Funds and the 80/20 Bridge Replacement**
 15 **Programs:** The Transportation Cabinet shall continue the Flex Funds and the 80/20
 16 Bridge Replacement Programs within the Rural Secondary Program.

17 **8. VEHICLE REGULATION**

	2019-20	2020-21	2021-22
18 Restricted Funds	-0-	14,733,400	14,411,600
19 Federal Funds	-0-	2,640,100	3,127,100
20 Road Fund	4,265,500	46,774,600	46,936,000
21 TOTAL	4,265,500	64,148,100	64,474,700

22
 23 **(1) Debt Service:** Included in the above Road Fund appropriation is \$800,000 in
 24 fiscal year 2020-2021 and \$1,600,000 in fiscal year 2021-2022 for debt service on
 25 previously authorized bonds.

26 **TOTAL - TRANSPORTATION CABINET**

	2019-20	2020-21	2021-22
27			

1	General Fund	-0-	13,289,000	6,589,000
2	Restricted Funds	-0-	154,077,000	157,398,300
3	Federal Funds	-0-	757,385,800	762,162,500
4	Road Fund	4,265,500	1,504,968,600	1,467,634,200
5	TOTAL	4,265,500	2,429,720,400	2,393,784,000

6 **PART II**

7 **CAPITAL PROJECTS BUDGET**

8 **(1) Capital Construction Fund Appropriations and Reauthorizations:**

9 Moneys in the Capital Construction Fund are appropriated for the following capital
10 projects subject to the conditions and procedures in this Act. Items listed without
11 appropriated amounts are previously authorized for which no additional amount is
12 required. These items are listed in order to continue their current authorization into the
13 2020-2022 fiscal biennium. Unless otherwise specified, reauthorized projects shall
14 conform to the original authorization enacted by the General Assembly.

15 **(2) Expiration of Existing Line-Item Capital Construction Projects:** All

16 appropriations to existing line-item capital construction projects expire on June 30, 2020,
17 unless reauthorized in this Act with the following exceptions: (a) A construction contract
18 for the project shall have been awarded by June 30, 2020; (b) Permanent financing or a
19 short-term line of credit sufficient to cover the total authorized project scope shall have
20 been obtained in the case of projects authorized for bonds, if the authorized project
21 completes an initial draw on the line of credit within the biennium immediately
22 subsequent to the original authorization; and (c) Grant or loan agreements, if applicable,
23 shall have been finalized and properly signed by all necessary parties. Notwithstanding
24 the criteria set forth in this subsection, the disposition of 2018-2020 fiscal biennium
25 nonstatutory appropriated maintenance pools funded from Capital Construction
26 Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

27 **(3) Bond Proceeds Investment Income:** Investment income earned from bond

1 proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage
 2 rebates and penalties and excess bond proceeds upon the completion of a bond-financed
 3 capital project shall be used to pay debt service according to the Internal Revenue Service
 4 Code and accompanying regulations.

5 **(4) Appropriations for Projects Not Line-Itemized:** Inasmuch as the
 6 identification of specific projects cannot be ascertained with absolute certainty at this
 7 time, amounts are appropriated for specific purposes to projects which are not
 8 individually identified in this Act in the following area: Aircraft Maintenance Pool. Any
 9 projects estimated to cost over \$1,000,000 and equipment estimated to cost over
 10 \$200,000 shall be reported to the Capital Projects and Bond Oversight Committee.

11 **A. TRANSPORTATION CABINET**

12 Budget Units	2020-21	2021-22
13 1. GENERAL ADMINISTRATION AND SUPPORT		
14 001. Maintenance Pool – 2020-2022		
15 Road Fund	2,950,000	2,950,000
16 002. Construct Whitley County Maintenance Facility and Salt Structure		
17 Road Fund	2,550,000	-0-
18 003. Construct Nicholas County Maintenance Facility and Salt Storage		
19 Road Fund	2,000,000	-0-
20 004. Construct Ballard County Maintenance Facility and Salt Storage – Additional		
21 Reauthorization (\$1,584,000 Road Fund)		
22 Road Fund	700,000	-0-
23 005. Construct Hopkins County Maintenance Facility and Salt Storage –		
24 Reauthorization (\$1,800,000 Road Fund)		
25 006. Construct Clay County District Office – Reauthorization (\$7,445,000 Road		
26 Fund)		
27 007. AASHTOWare		

1	Road Fund	1,000,000	1,000,000
2	2. AVIATION		
3	001. Aircraft Maintenance Pool – 2020-2022		
4	Investment Income	700,000	700,000
5	3. HIGHWAYS		
6	001. Repair Loadometer and Rest Areas – 2020-2022		
7	Road Fund	1,500,000	1,500,000
8	002. Road Maintenance Parks – 2020-2022		
9	Road Fund	1,250,000	1,250,000
10	003. Various Environmental Compliance – 2020-2022		
11	Road Fund	490,000	490,000
12	004. Transportation Warehouse Facility Renovation or Replacement		
13	Road Fund	1,500,000	-0-
14	005. Jefferson County – Lease		

PART III

FUNDS TRANSFER

17 The General Assembly finds that the financial condition of state government
 18 requires the following action.

19 Notwithstanding the statutes or requirements of the Restricted Funds enumerated
 20 below, there is transferred to the General Fund the following amounts in fiscal year 2020-
 21 2021 and fiscal year 2021-2022:

22		2020-21	2021-22
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A. TRANSPORTATION CABINET

24 **1. Aviation**

25	Agency Revenue Fund	438,400	428,800
26	(KRS 183.525(4) and (5))		

27 **2. Vehicle Regulation**

1	Agency Revenue Fund	4,400,000	4,400,000
2	(KRS 186.040(6)(a))		
3	3. Vehicle Regulation		
4	Agency Revenue Fund	-0-	2,000,000
5	(KRS 186.040(6)(b))		
6	4. Vehicle Regulation		
7	Agency Revenue Fund	-0-	300,000
8	(KRS 235.080, 235.085, and 235.130)		
9	TOTAL - FUNDS TRANSFER	4,838,400	7,128,800

PART IV

TRANSPORTATION CABINET BUDGET SUMMARY

OPERATING BUDGET

	2019-20	2020-21	2021-22
14 General Fund	-0-	13,289,000	6,589,000
15 Restricted Funds	-0-	154,077,000	157,398,300
16 Federal Funds	-0-	757,385,800	762,162,500
17 Road Fund	4,265,500	1,504,968,600	1,467,634,200
18 SUBTOTAL	4,265,500	2,429,720,400	2,393,784,000

CAPITAL PROJECTS BUDGET

	2019-20	2020-21	2021-22
21 Road Fund	-0-	13,940,000	7,190,000
22 Investment Income	-0-	700,000	700,000
23 SUBTOTAL	-0-	14,640,000	7,890,000

TOTAL - TRANSPORTATION CABINET BUDGET

	2019-20	2020-21	2021-22
26 General Fund	-0-	13,289,000	6,589,000
27 Restricted Funds	-0-	154,077,000	157,398,300

1	Federal Funds	-0-	757,385,800	762,162,500
2	Road Fund	4,265,500	1,518,908,600	1,474,824,200
3	Investment Income	-0-	700,000	700,000
4	TOTAL FUNDS	4,265,500	2,444,360,400	2,401,674,000